

# **Implementation of Provisions in the Healthy, Hunger-Free Kids Act of 2010**

Indiana Department of Education  
School and Community Nutrition  
April 13, 2011

# Agenda

- 2010 Dietary Guidelines
- Equity in School Lunch Pricing
- Foster Children
- Social Security Number
- Eligibility of Children Evacuated from Japan and Bahrain
- Free and Reduced Applications

# 2010 Dietary Guidelines

- NSLP and SBP reflect the most recent Dietary Guidelines for Americans (DGAs)
- Proposed Meal Pattern on January 13<sup>th</sup>, 2011
- On January 31<sup>st</sup>, 2011, the 2010 DGA recommendations were released

# 2010 Dietary Guidelines

- The 2010 DGAs include a new Red-Orange vegetable subgroup
- The 2010 DGAs advise consuming protein from a variety of sources, and recommend weekly amounts from three protein foods: (1) Seafood; (2) meat, poultry, and eggs; and (3) nuts, seeds, and soy products

# 2010 Dietary Guidelines

- 1. Impact of the new Red-Orange vegetable subgroup and the new protein foods subgroups,
- 2. Evaluate the need to reflect the new vegetable subgroup and protein foods subgroups, and
- 3. Address how the new vegetable subgroup and protein foods subgroups may be incorporated

# 2010 Dietary Guidelines

- Submit comments at <http://www.regulations.gov>
- Type into the search function, FNS-2007-0038 or Nutrition Standards in the National School Lunch and School Breakfast Program




# Equity in School Lunch Pricing

- Section 205 of the 2010 Child Nutrition Reauthorization Act: Equity in School Lunch Pricing
- Intent: To ensure that sufficient funds are provided to the food service account for paid lunches
- This provision only applies to lunches

# Paid Meal Equity Timeline

- Effective July 1, 2011
- USDA will be accepting public comments in Spring 2011
  - Spring is defined as April, May, and June of 2011
- All school food authorities must base paid lunch prices for School Year 2011-2012 on these requirements

## Pricing Guidance

- [National School Lunch Program Meal Pricing](#) 
- [Meals and a la carte](#)  Revised December 2010
- [Charging Policies](#)  - 6/15/10



# Paid Meal Equity Overview

- Schools will compare the average price for paid lunches to the difference between the per meal Federal reimbursement for free and paid lunches
  - The current free meal reimbursement rate is \$2.72
  - The current paid meal reimbursement rate is \$0.26
  - $\$2.72 - \$0.26 = \$2.46$  difference

**\*\*The difference is the same if you are a "severe need" corporation**

# Calculating Average Paid Lunch Price

- If a school food authority's average paid lunch price is \$2.46 or more, the school is in compliance and no further action is needed.
- Two different methods = simple average or weighted average
  - Weighted average takes into account average daily participation

# Simple Average Method

- To calculate the average paid lunch price using the simple average method:

District XYZ has the following paid lunch prices:

- \* \$2.00 at the Elementary Schools
- \* \$2.25 at the Middle Schools
- \* \$2.50 and \$2.75 at the High Schools
- \*  $\$2.00 + \$2.25 + \$2.50 + \$2.75 = \$9.50$
- \*  $\$9.50$  divided by 4 = ***\$2.375 average paid lunch price***

# Weighted Average Method

<u>School Corp.</u>	<u>Price</u>	<u>Average Daily Participation</u>	<u>Price*Part.</u>
Elementary	\$2.00	500	\$1,000.00
Middle School	\$2.25	500	\$1,125.00
High School 1	\$2.50	400	\$1,000.00
High School 2	\$2.75	800	\$2,200.00
	\$9.50	2,200	\$5,325.00

\*Simple Aver. ( $\$9.50/4$ ) **\$2.375**

\*Weighted Aver. ( $\$5,325.00/2,200$ ) **\$2.420**

(This school would have to increase their price by .05 cents for each building since the weighted or simple average is not over \$2.46)

# Increasing revenue for paid lunches

- If a school's average paid lunch price is less than \$2.46, it must increase the average paid lunch price by the inflation factor percentage (3.14%)

# Calculating the Paid Meal Price Increase

- District XYZ average paid lunch price was \$2.375
- Current inflation factor is 1.14 percent.
- Add 2 percentage points per USDA memo
- Multiply the average paid lunch price by the inflation factor percentage (3.14%)
  - $\$2.375 * 3.14\% = 0.0745$  cents
- School food authorities can round down to the nearest 5 cent increment
  - The average paid lunch price increase in this case must be 5 cents

# Calculating the Paid Meal Price Increase

- District XYZ average paid lunch price was \$1.50
- Current inflation factor is 1.14 percent.
- Add 2 percentage points per USDA memo
- Multiply the average paid lunch price by the inflation factor percentage (3.14%)
  - $\$1.50 * 3.14\% = 0.0471$  cents
- School food authorities can round down
  - The average paid lunch price increase in this case must be zero

# Calculating the Price Increase

- District XYZ had the following paid lunch prices:
  - \* \$2.00 at the Elementary Schools
  - \* \$2.25 at the Middle Schools
  - \* \$2.50 and \$2.75 at the High Schools
  - \*  $\$2.00 + \$2.25 + \$2.50 + \$2.75 = \$9.50$
  - \*  $\$9.50$  divided by 4 = ***\$2.375 average paid lunch price***
- Adding 5 cents to each price =  $\$2.05 + \$2.30 + \$2.55 + \$2.80 = \$9.70/4 =$   
**\$2.425**
- The average paid lunch price is now 5 cents higher



# Calculating the Price Increase

- It is the school to decide how to raise the prices
  - Back to District XYZ, they decided to raise the first lunch price for high school by 20 cents and keep the middle and elementary school prices the same
  - Previous prices: \$2.00, \$2.25, \$2.50 and \$2.75 for a ***\$2.375 average lunch price***
  - New prices: \$2.00, \$2.25, **\$2.70** and \$2.75
  - New average lunch price = \$2.425 (5 cents difference in the average lunch price)

# Next Steps by the School

- District XYZ needs to either:
  1. Increase the average paid lunch price by 5 cents in School Year 2011-2012
  2. Provide non-Federal funds to the non-profit food service account to cover the required revenue
    - Examples of non-Federal funds: money raised by a parent organization for this specific reason, grants from local agencies, or community organizations etc.
    - USDA has indicated that money from the non-for-profit food service account does not count as a source of non-Federal funds

## Next Steps by the School

- The maximum required annual average paid lunch price increase is capped at 10 cents
  - School food authorities can elect to increase their average paid lunch price by more than the calculation requires
  - Under Section 205, the school food authority would never be required by USDA to increase their average lunch price by more than 10 cents

# Impact on families

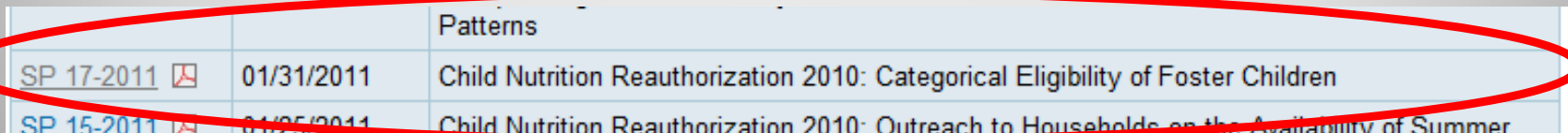
- The maximum required annual increase per child would be:
  - ✓ Example: A child attends a school of which the paid lunch price increased by 10 cents. The child eats every day. The child would pay about \$18 extra for the year
    - ✓  $180 * 10 \text{ cents} = \$18$
- The school food authority may instead use non-Federal sources to provide the required revenue



# Reporting Prices of Paid Lunches

- In School Year 2011-2012, school food authorities must report their paid lunch prices to USDA through the Indiana Department of Education
- Data is reported on the CNPweb site information sheets every program year
- USDA must publish these prices

# Foster Children

- USDA Memo, SP17-2011
- Foster children = categorically eligible
- Foster children = automatically qualify for free meals
- Households with foster and non-foster children can include the foster children in their application



Patterns		
<a href="#">SP 17-2011</a> 	01/31/2011	Child Nutrition Reauthorization 2010: Categorical Eligibility of Foster Children
<a href="#">SP 15-2011</a> 	01/25/2011	Child Nutrition Reauthorization 2010: Outreach to Households on the Availability of Summer Food Service Program Meals

# Foster Children

- Do not need separate applications for foster children
- Foster payments are not considered income
- Foster child qualifies for free meals, but not all the non-foster children automatically qualify

# Foster Children

- Foster children may be certified without an application
- The DOE is currently working on a system with the Indiana State Health and Human Services
- All documents will be updated before school year 2011-2012



# Social Security Number

- USDA Memo, SP 19-2011
- Income applications only require the last four digits of their social security number (SS#)
- SS# during verification for income applications does not need to be collected



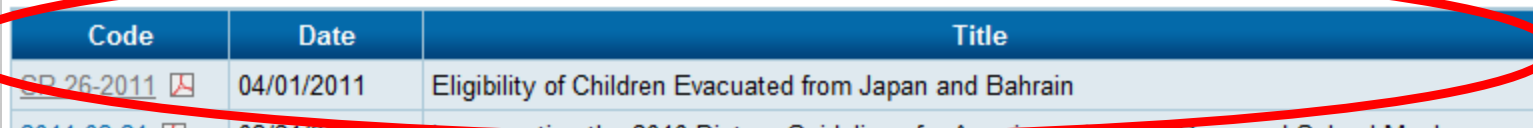
Food Service Program Meals		
<a href="#">Sec. 205</a> 	03/02/2011	Equity in School Lunch Pricing Fact Sheet
<a href="#">SP 19-2011</a> 	02/13/2011	Child Nutrition Reauthorization 2010: Privacy Protection and the Use of Social Security Numbers in Child Nutrition Programs
<a href="#">CACFP 04-</a>	12/17/2010	Child Nutrition Reauthorization 2010: Nationwide Expansion of At-Risk Afterschool Meals in



# Social Security Number

- All documents affected by this change will be updated by school year 2011-2012
- The State's textbook system will correspond with the USDA changes
- Schools can receive and approve free and reduced applications that contain only the last four digits now

# Eligibility of Children Evacuated from Japan and Bahrain

- USDA Memo, SP 26-2011
- Families are being evacuated from Japan and Bahrain
- Children enrolled in participating schools qualify for meal benefits
- Contact school's homeless liaison to determine if homeless



Code	Date	Title
<a href="#">SP 26-2011</a> 	04/01/2011	Eligibility of Children Evacuated from Japan and Bahrain
<a href="#">2011-03-21</a> 	03/21/2011	Incorporating the 2010 Dietary Guidelines for Americans into the Proposed School Meal Patterns

# Eligibility of Children Evacuated from Japan and Bahrain

- If children are considered homeless, they can receive free meals
- A child or family may reside with another household and still be considered homeless
- If considered homeless, the host family, if providing financial support, may include homeless family on their application

# Free and Reduced Applications

- USDA's prototype for Free and Reduced Applications have been sent out to all State agencies
- Currently, the free and reduced applications and other materials are being approved by the State Board of Accounts
- They will be posted to the website and an e-mail will be sent out to all FSC.

**Questions?**